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Navigating The Storm: The Impact of Covid-19 On The Hospitality Sector of Tourist Country Like Pakistan

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The pandemic created challenges for the survival of the hospitality sector, tumbled down the lives of employees, everything was at halt and the fear of being dismissal was more than the fear of getting infected. Therefore, the current study explored the challenges faced by hospitality sector in developing countries like Pakistan. The data was collected through the questionnaire opted from the US Bureau of Labor Statistics and implied cross-sectional data collection methodology and to generalized the findings of the study. The study used a sample of approximately 448 respondents. This study concludes that majority of hospitality sector face the problem of decrease in demand for product and services, reduce the wages, insurance premium, offered employees to work remotely, did not offered telework facilities, and increase in paid or sick leaves. This sector does not get help from government to keep their employees on the payroll, faced problem in moving goods. However, large number of businesses encouraged employees to work remotely. The study provides valuable insights for hospitality sector and the government to help this sector in future. More, importantly, it provides guidelines to endorse the economic growth of hospitality sector and employees and shed light on the future of hospitality sector. The findings help the government in formulating the rehabilitation strategies for hospitality sector to frame policies by keeping in view these challenges which hinder these businesses to carry out their operations during crisis. This study is significant in terms of social context; an individual is a member of every society whose well-being depends on employment opportunities. A large chunk of population is employed by hospitality sector which financially help them in supporting themselves and their families which overall contribute to the well-being of the society. The study is among the first in providing critical synthesis in the field of hospitality sector. Although research is available in existing literature, none of them focuses on the core problems faced by the hospitality sector in the developing countries like Pakistan. The innovative nature of this study will help to promote hospitality sector.
Keywords: Covid-19, hospitality, challenges, developing country, Pakistan, well-being.

INTRODUCTION

In the current growing age, the Global world is interconnected with shared skills, expertise, and resources. This not only accelerated their economic growth but also created interdependency, which caused severe effects severally (Naveeda & Katper, 2020). These effects were experienced as a great threat to humankind which left humans helpless. The recent COVID-19 pandemic and its unfolding are among such events that severely affect the global world (Rehman, 2020). Though even four years have passed, but still people, governments, economies, and importantly SMEs are still affected by its aftershocks (Advani, 1997). Evidently, in Leisure and hospitality, more than 8 million workers lost their jobs, though this SME is considered an 'engine of growth' for developing countries like Pakistan (Advani, 1997; Franck, 2020). More specifically the tourism and hospitality sector were showing enormous growth with a 10% contribution to global GDP and employment (Calderwood, 2019). However, several workers have been laid off in the hospitality industry globally to combat the increasing losses (Karmin, 2020). COVID-19 has created a socio-economic disaster by forcing the people to remain at home during lockdown (Ozili, 2020). And has affected the local as well as global economies across the world (Shafi, 2020). The COVID-19 pandemic and it unfolding

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have several direct and indirect cost. The direct cost includes health and care cost, while the indirect cost covers the economic cost due to unemployment, supply chain disruptions, decrease in foreign remittances, negative GDP, and negative balance of trade (Kellar, 2007; Rehman, 2020). The pandemic has reduced the economic and trading activities to a minimum level (Javed, 2020). Small and medium-sized enterprises (SME's) play an important role in the growth and development of every country (Zafar, 2017). Many developed countries have realized the vital role of SMEs in economic development (Rohra, 2009). They are considered as an important tool in terms of employment generation, eradicating poverty, entrepreneurial development, economic growth, and stability (Khan, 2015). The economy of Pakistan is based on SME's and is composed of 90% of businesses and constitutes 77% of industrial employment (Sherazi, 2013) and is the focus of current research.

The current pandemic has created a new challenge for all the countries (Toda, 2020), and was declared as Sixth Public Health of Emergency Services (SPHEC) on 30th January 2020 by World Health Organization (Waris, 2020). Neighboring countries of China were mostly affected (Rana, 2020). Apart from the serious threats to the health of the people, pandemics affected the SME's resulting in laying off labor (Shah, 2020). Similarly, 43% of SMEs in the USA were closed from January to April 2020 and almost 40% workforce was laid-off (Bartik, 2020). The world has faced an economic as well as employment crisis during the pandemic (Ramelli, 2020). SMEs contribute almost 40% to the GDP of Pakistan (Pakistan, 2010). Geographically, there is diversification in business sectors of Pakistan as most of the large businesses are situated in urban areas, and SMEs are located in the outskirts or rural areas of the country (Ali, 2014). The most affected was the tourism and hospitality services sector which strongly contributes to the GDP of Pakistan (Khan, 2021). In both sectors employees were laid-off, hotels and restaurants were not allowed to entertain the guests. The transport system was at a halt which also contributed to the destruction of the hospitality and tourism sector. The pandemic created a challenge for such industries to survive (Vasiljeva, 2020) and tumble down the lives of Pakistani's (Rehman, 2020). The business sector struggled during the pandemic and almost 83% of the businesses have no contingency plan to deal with the adverse effects of the pandemic (Shah, 2020). The survival of any business is dependent on sustainable income which has been compromised due to this pandemic (Alkhuzaie, 2018). The domestic economy is dependent on the consumers and these are depending on the SME's (Amir, 2018). Up till now, 81% of the employers and 66% of employees have been negatively affected as almost 436 million SMEs are suffering due to the pandemic (Organization, 2020). Therefore, to keep the economy moving it is very important to keep SMEs alive (Kashif, 2020). During the current era, researchers have tried to find the impact of a pandemic on different sectors, globally as well as locally. Such as the impact of COVID on the economy (Khan, 2021), the effects of lockdown on SMEs (Javed, 2020), the impact of COVID on MSMS's in Pakistan (Shafi, 2020). Similarly, the implications of COVID on the SMEs in Pakistan (Aftab, 2021) and the impact on the hospitality sector of Pakistan (Khan, 2021). However, the missing link in the literature was to find the challenges faced by the SMEs especially working in the hospitality sector of Pakistan.

The current study contributes in several ways to the body of knowledge. The significant contribution of this study is the identification of the challenges the hospitality sector faced during COVID in Pakistan. We gathered first-hand responses from the owners of the SMEs working in hospitality and highlight their problems. Employees all around the world are concerned about the future of their jobs. Job insecurity causes increase stress levels among employees (Abbas, 2019). Similarly, few other studies suggest that job insecurity harms the outcomes in the hospitality industry (Darvishmotevali, 2017). That is why it is critically important to understand the consequences of job insecurity during a pandemic (Abbas, 2021). This study provides policy recommendations to help in the formulation of policies to mitigate the adverse effects of the COVID, as the fear of being dismissed from the job has been seen as more than the fear of getting infected (Mazza, 2020).

***COVID-19 pandemic and globalization*:** In the current age of globalization, we see a lot of assistance and suffering in the shape of pandemics. Globalization positively impacts education, tourism, business, and human resource mobilization, while negatively posing threats in the form of novel COVID-19. Such effects increase when they are faced by vulnerable developing countries like Pakistan. (Katper, 2020). It makes nations more vulnerable to the pandemics (Antras, 2020). Pakistan is a developing country and the role of SMEs is not different for Pakistan from that of other developed countries (Muneer, 2017). They are considered the backbone of the economy and contribute towards economic progress (Sherazi, 2013). They have been contributing to the economy of Pakistan since its independence (Hussain, 2012). Pakistan also depends largely on SMEs like other developing countries (Minniti, 2005). The economy of Pakistan does not consist of a small segment of SMEs but highly depends on this sector for growth**.** 80% of the non-agricultural workers are employed by SMEs and 40% contribute to GDP in Pakistan every year (Malik, 2011). The COVID pandemic has a worse effect on developing economies and makes it difficult for them to come up with foreign exchange constraints (UNCTAD, 2020). According to the World Bank, South Asian countries have faced more damage in terms of economic performance in 40 years and almost half of the economies have faced recession (World Bank, 2020). The growth of GDP is expected to decrease by 1.3% further if the outbreak continues, Pakistan's GDP for 2020 may further

decrease by 2.2% which will lead to 0.3% growth in FY21 (WHO, 2020). According to the Asian Development Bank (ADB), Pakistan has lose $415 million if the virus does not spread rapidly and in the worst-case scenario these losses can range up to $6-17 billion (Asian Development Bank, 28 March 2020). The GDP of Pakistan may decrease between 2-5% with almost 1.2-3.2 million people losing jobs.

***COVID-19 pandemic and service industry*:** The service sector has faced a significant loss as businesses are closed and workers are facing unemployment (Javed, 2020). The economic survey of Pakistan 2018-19 states that, the service sector has shared 61.2% of GDP and the growth rate of the sector was 4.71% in 2018-19. The export in the service sector in 2019 was $5781 million (SBP, 2020) and the sector absorbs 38.6% of the labor force (Survey, 2017-18). There is a large number of micro-enterprises like shop owners, household businesses, and street vendors which make almost 35.7% of the national income which is undocumented and considered as informal. Almost 55.6% of these businesses are vulnerable. (Sohail, 2018). A lockdown has adversely affected the supply chains and had a severe impact on the retailers, wholesalers, transport industry, and communication services throughout the country (WHO, 2020). According to the Planning Commission of Pakistan, the economy has suffocated in several ways which include liquidity of banks, growth, expenditure, and revenue losses (Iqbal, 2020). This will hit almost 5 million jobs around the country and 30,000 people have lost jobs in UAE and other Gulf countries. Around 24% of people are below the poverty line and this percentage will increase due to this pandemic. FBR faced a 31% decline in sales tax collection in March 2020 from local manufacturers due to low production. Tax collection in April 2020 was 40 billion less as compared to April 2019. The COVID pandemic has badly affected the SME sector of Pakistan. Many businesses have lost their employees and customers due to the lockdown situation in Pakistan and some of them have completely been closed (UNDP, 2020). The businesses owned and operated by women have proven to be the most vulnerable due to the pandemic in Pakistan (UNDP, 2020). According to the Sustainable Development Policy Institute (SDPI), 50% out of total SMEs in Pakistan have faced a major decline in profits and sales, SDPI further elaborated that almost 0.95 million of these businesses may not survive a lockdown of one month and the rest of them which constitute around 3 million will need financial assistance after a period of two or three months (Aftab, 2021). It is further concluded that almost all of them are vulnerable to the pandemic (Naqvi, 2020). This survey by SMEDA also reports that 92% of businesses faced disruptions in the supply-chain process, 46% of businesses have fired their employees, 23% experienced immense loss due to the cancellation of all export orders and 89% are facing immense difficulty in maintaining the financial cycle (Naqvi, 2020). The hospitality sector in Pakistan contributes almost 10.6% of the GDP and constitutes 6.2% of employment (Kazmi, 2020). This sector has recorded a growth of 6.43% in the last two years (Survey, 2017-18). Pakistan has been gifted with a lot of natural and beautiful landscapes, especially in the northern regions which attract thousands of domestic and international tourists annually. This proves to be the bread and butter of the people living in those areas that are visited frequently and considered tourist destinations. After the restoration of a law-and-order situation in Pakistan, the tourism and hospitality sectors were expected to show growth in the coming years (Kamran, 2018). The tourism sector contributed almost $8832.1 million in 2017 and this figure is expected to rise to 5.8% per annum during 2018-2028 (Arshad, 2018). The current situation indicates that the hospitality industry has been affected much worse as any other industry globally as hotels and resorts are almost on the verge of bankruptcy and if it compared to hotels working as small or medium-sized businesses, they have already been closed due to crisis (Kazmi, 2020). Hotels and restaurants will face a loss of $253.7 million in worst case and $0.67 million in best case in Pakistan (Asian Development Bank, 2020). This sector has been highlighted as one of the most adversely affected sectors in Pakistan due to the pandemic in several studies. The estimated loss in worst case to the business trade, public and private services is predicted to be $1.94 billion and $5.54 million in best case (Asian Development Bank, 2020).

***COVID-19 pandemic and hospitality sector*:** Several studies have been carried out in the previous two years regarding the impact of the COVID-19 pandemic on several businesses globally. However, among them, one such sector that was adversely affected is the hospitality sector. The said sector was at a halt due to lockdowns and was having major setbacks in terms of revenue. Some of the studies related to the hospitality sector with a link to information technology include a study which examined the impact of the pandemic on bookings related to Airbnb by using three critical factors which include lockdown, COVID-19 cases and initial lockdown in Wuhan (Cheng, 2023). The author also inculcated Airbnb reviews as well as cancellations in terms of proxies (Cheng, 2023). It turned out that 57.8% fall in global bookings was due to lockdowns (Cheng, 2023). Moreover, every new case which is doubled is linked to 4.16% decline in the bookings (Cheng, 2023). Not to mention, the results revealed that perceived AI risk, support, innovativeness, and competition highly influence the adoption of AI (Chen, 2023). Furthermore, previous studies also highlighted those general managers (GMs) and senior managers (SMs) working in multiple hotels tend to differ in their approaches towards STM along with their decision-making mechanisms which influenced cognitive and resource attention to STM (Garavan, 2023). Another related study evaluated the methods of managing talent in small and medium-sized enterprise (SME) hotels during the time of COVID-19 pandemic in Nigeria (Howe-Walsh, 2023). With the help of semi-structured

interviews with hotel owners and other related parties in Nigeria (Howe-Walsh, 2023).

Furthermore, other studies include a study that examined the effects of resilience among employees, social support and proactive approach that how they impact intentions of hotel employees regarding switching careers (Yang, 2023). It was found out that employees who are lag behind in proactivity, their career change intentions and resilience is negatively associated (Yang, 2023). On the other hand, employees who are highly proactive, require strong social support to express resilience (Yang, 2023). In addition to the previous, a study analyzed that what effects COVID-19 pandemic had on memorable dining experiences (MDEs) in the USA, with the help of 530 responses gathered through survey (Ma, 2023). It was found out that all five factors had a significant impact and restaurant safety measures were directly related to the overall experience (Ma, 2023). Lastly, a study examined barriers linked to consumer specifically in peer-to-peer (P2P) accommodation in pre and post COVID era (Li, 2023). The negotiation strategies applied by the consumers in order to bridge these barriers were also identified (Li, 2023). It was found that consumers faced psychological barriers equal to five and functional barriers equal to four towards P2P accommodation in pre and post COVID era (Li, 2023). Consumers applied several negotiation strategies to overcome these barriers which include seeking of information, adaptation, and gathering social support along with the agents whom they trusted (Li, 2023).

In summary, the hospitality industry of Pakistan was growing at an enormous rate back in the 1970s but slowly this industry faced an ongoing COVID pandemic. Due to the lockdown, small and medium-sized hotels sent their employees on unpaid leave, and some of them were laid off (Tribune, 2020). The lack of resources and health facilities urged the authorities to convert a few 3- and 4-star hotels into quarantine centers which also affected the hospitality sector (Kazmi, 2020). Public gathering events such as wedding functions, seminars, and conferences have been canceled or postponed which has a direct impact on the cash inflows of the hospitality sector (Javed, 2020). The small hotels have been closed to the no influx of cash flows, customers, and decreased demands whereas the big hotels have been trying to cut their costs by giving employees unpaid leaves (Kazmi, 2020).

MATERIALS AND METHODS

A cross-sectional quantitative methodology was implied to collect the data from 448 respondents from hospitality sector of Pakistan. A data was collected from the cities which were most effected by the COVID pandemic such as Lahore, Karachi, Rawalpindi, Islamabad, Multan and Gujranwala by using convenience sampling. The questionnaire has been adopted from US Bureau of Labor Statistics in line with the studies of (Shafi, 2020; Aftab, 2021: Ratnasingam, 2020).

RESULTS

The demographics include gender, age and city. Majority of the respondents were male, between the age of 15-35. The most of responses were recorded from Karachi and Multan.

Table 1. Showing the demographics.

Variables	N	%
Gender		
Male	407	90.85
Female	41	9.15
Age		
15-25	177	39.51
26-35	123	27.46
36-45	82	18.30
46-55	46	10.27
Over 55	20	4.46
City		
Gujranwala	69	15.40
Islamabad	59	13.17
Karachi	109	24.33
Lahore	26	5.80
Multan	122	27.23
Rawalpindi	63	14.06

N= 448

The demographics related to gender wise were 407 (male) while 41 (female) participated in this survey. Above table 1 showing the percentage of respondents with their age groups and resident city. The greatest number of responses were recorded from Karachi (109/448) and Multan (122/448).

Table 2. Showing the results of survey question.

Items	%
Challenges of Businesses	6.92
Decrease in Demand for P & S	39.96
Increase in demand for P & S	7.14
Difficulty in shipping goods	12.96
Mandated Closure	17.63
None	2.68
Don't Know	2.01
Others	1.12

The first question was relating to, "as a result of Coronavirus pandemic, which of the following did this business location experience?" 6.92% of the business community faced shortage of supplies. 39.96% express their concern about the shortage of supplies. On the positive side 7.14% observed increase in demand for products or services. 12.96% businessman expressed their concern regarding the shipment

of goods. 17.63% also face the government-mandatory disclosure of their business location. This study concludes that majority of hospitality sector face the problem of decrease in demand for product and services.

Table 3. Showing the results of survey question 2.

Items	%
Changes in Employment	5.13
Laid off or furloughed	10.04
Increased hours of work	5.80
Reduced hours of work	14.51
Increased S & W	10.94
Reduced S & W	47.32
None	2.01
Don't know	1.79
Others	2.01

The second question was relating to, "As a result of Coronavirus pandemic, what changes, if any, were made to employment or payroll at this business location?" 10.04% laid-off or furloughed employees. 5.80% express had to increase hours of work for their employees. 14.51% of the respondents reduced their employees' hours of work and 47.32% were compelled to reduce salaries and wages. On the contrary, 10.94% increased salaries and wages of their employees'. This study concludes that majority of SME's faced the problem of reducing salaries and wages of their employees'. The results are in line with the finding of (Shafi, 2020; Aftab, 2021).

In the third question, 65.40% of the business owners responded that they did not pay to the employees. On the other hand, 12.28% responded as that they paid to their employees. In the fourth question, 52.01% of the business owners responded that they did not pay any health insurance premiums to the employees. Similarly, 33.04% responded that they are not applicable on this criterion of health insurance premium. However, minimal amount of 9.60% of the respondents did provide health insurance premiums to their employees.

The response of the fifth question indicated that 44.87% of the business community offered employees to work remotely. On the other hand, 46.88% responded that they did not offer any telework facilities to their employees. The responses to the sixth and seventh indicated that 25.67% of the business community increased the amount of paid sick leaves for their employees and on the contrary, 66.07% did not provide any increase in paid sick leaves. 13.17% of the business owners did receive a grant from the government while 73.44% did not receive any grant from the government. This study concludes that majority of SME's faced several problems and were unable to pay to their employees who were asked not to work, were unable to pay health insurance premiums to the employees, did not offer telework facilities, did not provide more sick leaves and did not receive any grant from the government.

Table 5. Showing the results of survey question 9 & 10.

Questions/ Variable	Increase	Decrease	None
1. Sales turnover.	14.73%	76.12%	8.48%
2. Profits turnover.	11.83%	77.46%	9.60%

In the ninth question surprisingly, 14.73% of the business community responded that they have seen increase in their sales while 76.12% indicated that there was a decrease in sales turnover. This study concludes that majority of SME's observed decrease in sales turnover during the pandemic. Similarly, in the tenth question 77.46% of the business community responded that have seen decrease in their profits while 11.83% indicated that there was an increase in the profits. This study concludes that majority of SME's observed decrease in sales turnover and profits during the pandemic.

Table 6. Showing the descriptive results.

Questions/ Variable	S.E	β
1. Challenges of Businesses	0.01	0.86
2. Changes in Employment	0.01	0.13
3. Continued Paying Employees	0.01	0.02
4. Paid Health Insurance	0.01	0.02
5. Offered Telework	0.01	0.05
6. Increased Paid Working Hours	0.01	0.00
7. Loan Grant Received	0.00	0.00
9. Sales Turnover	0.00	0.00
10. Profit Turnover	0.00	0.00

***Overall findings*:** The results of this study indicate that majority of the businesses faced difficulty in moving goods, had to close business due to government-mandated lockdowns, majority were unable to pay employees who were

Table 4. Showing the results of survey question 3-7.

Questions/ Variables	Yes	No	Not applicable	Don't know
1. Continued Paying Employees.	12.28%	65.40%	18.30%	3.13%
2. Paid health insurance.	9.60%	52.01%	33.04%	4.24%
3 Offered telework.	44.87%	46.88%		5.36%
4. Increased paid working hours.	25.67%	66.07%		7.14%
4. Loan grant received.	13.17%	73.44%		12.05%

told not to work, neither wages nor health insurance premiums. On the bright side, large number of businesses encouraged employees to work remotely, however, this was not the case with majority. The amount of paid sick leaves was not increased. Majority of the businesses indicated that they did not receive any kind of grant from the government to keep their employees on the payroll or re-hire them. Lastly, most of the businesses faced decrease in sales turnover and a drop in profits during the pandemic period.

***Robustness check*:** To check the robustness of the results the One-way analysis of variance (ANOVA) is operationalize to test differences among groups. In this way more groups can be compared like independent samples T-test. The assumption of this test is the homogeneity of variances, in this case, value of 'F' is significant which means that responses to different questions among different sectors are not identical and significantly different except in four questions where the value of 'F' is 0.701, 1.186, 0.619 and 0.417. This test justifies the application of the Post Hoc test. The results can be seen in Table 7 & 8.

Table 7. Showing the results of descriptive.

	Mean	SD
Challenges of Businesses	3.21	1.63
Changes in Employment	4.84	1.81
Continued Paying Employees	2.13	0.66
Paid Health Insurance	3.27	1.13
Offered Telework	2.67	1.12
Increased Paid Working Hours	2.69	0.77
Loan Grant Received	1.98	0.52
Sales Turnover	2.07	0.49
Profit Turnover	2.03	0.48

N = 448

***Homogeneity of variances*:** Results indicate that there is a significant difference among different questions of the survey in terms of variances, this is a hint to heteroskedasticity. Variation between the responses of different questions in the study is not the same.

Table 8. Homogeneity of variances.

	Levene Statistic	*p*-value
Challenges of Businesses	12.32	0.00
Changes in Employment	5.97	0.00
Continued Paying Employees	20.33	0.00
Paid Health Insurance	13.14	0.00
Offered Telework	10.19	0.00
Increased Paid Working Hours	12.31	0.00
Loan Grant Received	13.29	0.00
Sales Turnover	5.57	0.00
Profit Turnover	4.85	0.00

***Post Hoc tests*:** The assumption in this study is that variances are equal that is why the researcher has used Tukey HSD (Honest Significant Difference) test. which compare each group with the other separately, to do pairwise comparison. It was observed that majority of the responses among different cities in different questions were not significantly different from each other as shown in the results in Table 9.

***Homogeneous subsets*:** The results indicate that responses from different cities were not significantly different from each other as shown in Table 10. However, in first (Challenges of Businesses), second (Changes in Employment), third (Payroll of Employees) and fifth (Offered Telework), there were some differences whose details have been shown.

Table 9. Tukey HSD [a,b].
Challenges of businesses

CITY	N	Subset for alpha = 0.05	
		1	2
Karachi	96	2.281	
Multan	101	2.663	
Islamabad	55	3.036	
Lahore	23		4.043
Gujranwala	63		4.079
Rawalpindi	59		4.559
Sig.		0.065	0.410

Table 10. Tukey HSD a,b .
Changes in employment

CITY	N	Subset for alpha = 0.05	
		1	2
Rawalpindi	64	4.391	
Multan	110	4.536	4.536
Islamabad	61	4.738	4.738
Lahore	27	4.778	4.778
Gujranwala	69	4.928	4.928
Karachi	108		5.417
Sig.		0.575	0.081

Table 11. Tukey HSD [a,b].
Continued paying employees

CITY	N	Subset for alpha = 0.05	
		1	2
Lahore	27	1.926	
Gujranwala	69	2.043	
Karachi	108	2.065	
Rawalpindi	63	2.079	
Multan	110	2.164	2.164
Islamabad	60		2.433
Sig.		0.355	0.218

Table 11. Tukey HSD[a,b].
Paid health insurance

CITY	N	Subset for alpha = 0.05
		1
Rawalpindi	64	2.969
Gujranwala	69	3.130
Lahore	26	3.192
Karachi	106	3.245
Multan	111	3.405
Islamabad	60	3.567
Sig.		0.050

Notes(s): *Means for groups in homogeneous subsets are displayed.*
a. Uses Harmonic Mean Sample Size = 57.865.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 12. Tukey HSD[a,b].
Offered telework

CITY	N	Subset for alpha = 0.05	
		1	2
Multan	109	2.349	
Karachi	108	2.593	2.593
Islamabad	61	2.787	2.787
Rawalpindi	58	2.828	2.828
Lahore	26	2.923	2.923
Gujranwala	66		2.970
Sig.		.064	.455

Notes(s): *Means for groups in homogeneous subsets are displayed.*
Uses Harmonic Mean Sample Size = 56.774.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 13. Tukey HSD[a, b].
Increased paid working hours

CITY	N	Subset for alpha = 0.05
		1
Lahore	26	2.577
Islamabad	61	2.623
Multan	111	2.631
Gujranwala	68	2.706
Rawalpindi	62	2.726
Karachi	108	2.787
Sig.		0.694

Notes(s): *Means for groups in homogeneous subsets are displayed.*
a. Uses Harmonic Mean Sample Size = 57.716.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 14. Tukey HSD [a,b].
Loan grant received

CITY	N	Subset for alpha = 0.05
		1
Rawalpindi	64	1.875
Karachi	105	1.962
Gujranwala	69	1.971
Islamabad	61	1.984
Multan	110	2.055
Lahore	27	2.074
Sig.		.298

Notes(s): *Means for groups in homogeneous subsets are displayed.*
a. Uses Harmonic Mean Sample Size = 58.730.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 15. Tukey HSD [a, b].
Sales turnover
Offered telework

CITY	N	Subset for alpha = 0.05	
		1	2
Multan	109	2.349	
Karachi	108	2.593	2.593
Islamabad	61	2.787	2.787
Rawalpindi	58	2.828	2.828
Lahore	26	2.923	2.923
Gujranwala	66		2.970
Sig.		.064	.455

Notes(s): *Means for groups in homogeneous subsets are displayed.*
Uses Harmonic Mean Sample Size = 56.774.
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 16. Tukey HSD [a,b].
Profit Turnover

CITY	N	Subset for alpha = 0.05
		1
Rawalpindi	62	1.968
Multan	110	2.009
Islamabad	61	2.016
Gujranwala	69	2.029
Karachi	107	2.065
Lahore	27	2.074
Sig.		0.835

Notes(s): *Means for groups in homogeneous subsets are displayed.*

a. Uses Harmonic Mean Sample Size = 58.543.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

***Mean plots*:** It can be observed that the mean of responses of cities are differentiating from other in almost every question as indicated by the Post Hoc Tests as well. On the other hand, there are some cases where few cities have mean closer to each other without any significant difference as shown in Table 12.

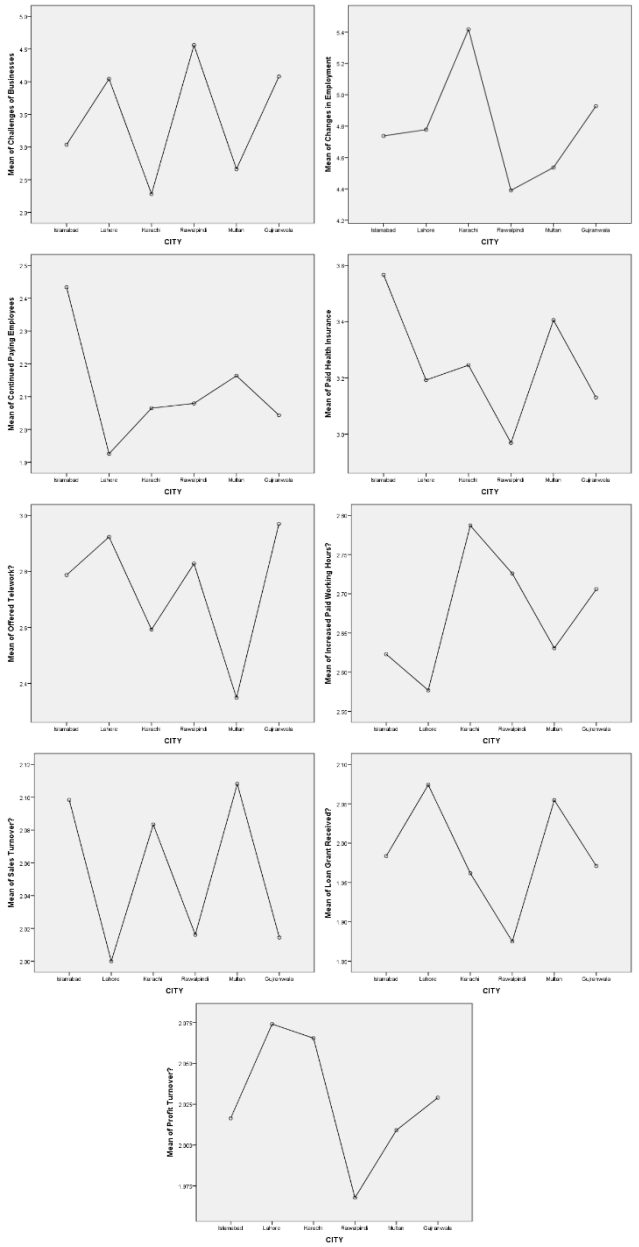
Mean of Challenges of Businesses
Mean of Changes in Employment
Mean of Continued Paying Employees
Mean of Paid Health Insurance
Mean of Offered Telework?
Mean of Increased Paid Working Hours?
Mean of Sales Turnover?
Mean of Loan Grant Received?
Mean of Profit Turnover?
CITY

Figure 1. Mean plots.

***Power of the test*:** The researcher has used General Linear Model (GLM) to check the observed power and make sure that the researcher is confident in the results. The results from this test were almost the same as in the previous tests. The only major difference to conduct this test was to record observed power. As shown in Table 13, the significance results of levene's test are same as the results gathered before.

Table 17. Levene's test of equality of error variances[a].

	F-value	Sig.
Challenges of Businesses	12.94	.000
Changes in Employment	9.55	.000
Continued Paying Employees	22.83	.000
Paid Health Insurance	16.09	.000
Offered Telework	9.11	.000
Increased Paid Working Hours	12.76	.000
Loan Grant Received	11.12	.000
Sales Turnover	7.16	.000
Profit Turnover	6.30	.000

***Discussion*:** In this study, a cross-sectional quantitative methodology was implied to collect the data from 448 respondents from hospitality sector of Pakistan. The demographics include gender, age and city. Majority of the respondents were male, between the age of 15-35. The greater number of responses were recorded from Karachi and Multan (Table 1). In the initiate, as a result of Coronavirus pandemic, which of the following did this business location experience has had great impact as 6.92% of the business community faced shortage of supplies. 39.96% express their concern about the shortage of supplies. On the positive side (7.14%) observed increase in demand for products or services. About 12.96% businessman expressed their concern regarding the shipment of goods. This study settles that majority of hospitality sector face the problem of decrease in demand for product and services. On the contrary, 10.94% increased salaries and wages of their employees'. This study concludes that majority of SME's faced the problem of reducing salaries and wages of their employees'. Similarly, responded that they are not applicable on this criterion of health insurance premium. However, minimal amount (9.60%) of the respondents did provide health insurance premiums to their employees. For the authentication of the results, it was used General Linear Model (GLM) to check the observed power and make sure that the researcher is confident in the results. As shown in Table 13, the significance results of this test (levene's) are same as the results gathered before.

Inclusively, the results of this study indicate that majority of the businesses faced difficulty in moving goods, had to close business due to government-mandated lockdowns, majority were unable to pay employees who were told not to work, neither wages nor health insurance premiums. On the bright

side, large number of businesses encouraged employees to work remotely, however, this was not the case with majority. The amount of paid sick leaves was not increased. Majority of the businesses indicated that they did not receive any kind of grant from the government to keep their employees on the payroll or re-hire them. Lastly, most of the businesses faced decrease in sales turnover and a drop-in profit during the pandemic period.

***Conclusion*:** In this study, researchers had an objective to identify and descriptively analyze the challenges of business operations of the hospitality sector in Pakistan during the COVID pandemic to draw conclusions for policy recommendations that will eventually benefit the socio-economic framework of the country. Data was gathered from approximately 448 respondents and results indicate that there were difficulties in logistical operations (shortage and difficulty in moving goods), a decrease in demand for goods or services, laid-off employees, reduced salaries, and in some cases gave employees unpaid leaves, no health insurance was provided to the employees, no telework opportunities and no grant was received from the government to support employees. Overall, as per the results it has been observed that the mentioned sector has been adversely affected due to the pandemic.

The findings of the study can help the government in formulating the rehabilitation strategies for hospitality sector of Pakistan and can frame their policies by keeping in view these challenges which hinder these businesses to carry out their operations during crisis. Moreover, the study also provides practical implication in formulating the policies which mitigate the damages e.g., salaries of employees and health insurance was compromised due to lockdown. This study is significant in terms of social context, an individual is a member of every society whose well-being depends on employment opportunities. In case of Pakistan, a large chunk of such individuals is employed by the various hospitality sector which financially help them in supporting themselves and their families which overall contribute to the well-being of the society.

Concluding all above, the COVID-19 pandemic has severely impacted the hospitality sector in Pakistan, with significant financial losses and operational challenges faced by businesses in the industry. However, the sector has shown resilience and adaptability. The implemented various coping strategies such as reducing operational cost, shifting towards delivery and take way services, and implementing health and safety protocol helped in mitigating adverse outcomes. Though, these strategies have helped some business survive the crisis and may provide valuable lessons for future crisis management in the sector, but, still, passing three years after the pandemic, this sector is facing difficulties in their survival.

***Recommendations*:** The study provides an in-depth analysis of the impact of COVID-19 pandemic on the hospitality industry in Pakistan. The study is informative and sheds light on the challenges faced by the sector due to the pandemic. However, there are some recommendations that should be considered when interpreting the findings of the study. Firstly, the study highlights the need for the government to take measure to support the hospitality industry, such as providing financial assistance and incentives. Secondly, it is evident that these businesses have been affected to an extent that their survival is at stake along with the well-being of many workers who in the case of Pakistan are usually the sole breadwinners of their families. This is why the government should take some proactive steps to support this sector as they contribute a large amount to the national exchequer.

The study also has some limitations that should be considered while analyzing the results. Firstly, the sample size of the study is relatively small, which may limit the generalizability of the findings. Secondly, the study is limited to the hospitality industry in Pakistan and may not be applicable to other sectors. Lastly, after the pandemic the Pakistan has suffered from flood 2022, which has affected the hospitality also. Therefore, future research could explore the long-term effects of pandemic and flood 2022 on the hospitality as well as other business sectors.

***Author's contribution statement*:** Dr. Muhammad Akhtar[1] has supervised and reviewed this study. Awais Zahid Malik[2] has analyzed the data for the study. Asif Naveed[3] has formulated the methodology and collected data from respondents. Dr. Nazia Malik[4] has also contributed in formulated the methodology and data collection process.

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***Ethical statement*:** Ethical statement was enclosed with survey questionnaire.

Availability of data and material: Data was available.

***Informed consent*:** Written informed consent was obtained from all participants regarding publishing their data and photographs.

***Consent to participate*:** Written informed consent was obtained from all participants regarding publishing their responses.

***Consent for publication*:** *SDGs addressed*: Decent Work and Economic Growth, No Poverty, Good Health and Well-Being, Reduced Inequalities.

Policy referred: Absence of Government Support Policies for the Hospitality Sector; Recommendation for Rehabilitation Policies; Call for Policies to Promote Economic Recovery and

Employment; Alignment with National and International Development Frameworks.

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